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**Cc:** Way, Steven[way.steven@epa.gov]  
**From:** Way, Steven  
**Sent:** Wed 3/25/2015 3:58:31 PM  
**Subject:** Upper Animas - Gold King Adit Rehab budget (ERRS)

David and Laura,

This is an update on the potential budget requirements to open the Gold King mine this year. The conditions encountered last year revealed a different situation than anticipated with the blockage and potential water condition behind the blockage.

The current estimates from Environmental Restoration to complete the work with the mining contractor and ER is approximately \$450K versus our estimate of \$300K in 2014. This does not account for any cost savings likely to be realized by having the Red and Bonita work occurring at the same time, which is the plan. However, even with that likely savings, the funding in the ERRS TO is currently inadequate to complete the work.

The breakdown is as follows with the original work and estimate.

2014 Estimate (IGCE): \$300K

ERRS TO 2014 \$250K

2014 Costs -\$ 69K

Balance \$ 181K Available in Gold King TO

2015 Estimate (ERRS) \$450 K (ER's estimate with subcontractor)

**Potential additional funding need ranges from based on what we know now is: \$170 to \$270 K.**

This is based on my original (2014) estimate plus \$50K for additional complexity, which is the minimum estimate and the new contractor estimate. There is probably some refining of the contractor estimate that can occur, but the numbers are close.

The costs last year do not off-set any work to be done this year; essentially those were investigative costs.

## **Deliberative Process/Ex. 5**

Let me know if you would like to discuss this. The work is planned to begin between July and August.

Steve

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